

FIRST REGULAR SESSION

HOUSE BILL NO. 900

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WARD.

Read 1st time February 28, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

2172L.011

AN ACT

To repeal section 384.043, RSMo 2000, and to enact in lieu thereof one new section relating to surplus lines insurance.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 384.043, RSMo 2000, is repealed and one new section enacted in lieu thereof, to be known as section 384.043, to read as follows:

384.043. 1. No agent or broker [licensed by the state] shall procure any contract of surplus lines insurance with any nonadmitted insurer, unless he possesses a current surplus lines insurance license issued by the director.

2. The director shall issue a surplus lines license to any qualified [resident] holder of a current **resident or nonresident** property and casualty [broker's] license but only when the [broker] **licensee** has:

- (1) Remitted the one hundred dollar initial fee to the director;
- (2) Submitted a completed license application on a form supplied by the director;
- (3) Passed a qualifying examination approved by the director, except that all holders of a license prior to July 1, 1987, shall be deemed to have passed such an examination; and
- (4) Filed with the director, and maintains during the term of the license, in force and unimpaired, a bond in favor of this state in the penal sum of [ten] **one hundred** thousand dollars **or in a sum equal to the tax liability for the previous tax year, whichever is smaller**, aggregate liability, with corporate sureties approved by the director. The bond shall be conditioned that the surplus lines licensee will conduct business in accordance with the provisions of sections 384.011 to 384.071 and will promptly remit the taxes as provided by law.

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 No bond shall be terminated unless at least thirty days' prior written notice is given to the
18 licensee and director. [If the director determines that a surplus lines licensee of a reciprocal sister
19 state is competent and trustworthy, then he may, in his discretion, issue a nonresident surplus
20 lines agent's license. A nonresident licensee shall be limited in his authority to servicing of
21 business negotiated elsewhere and filing any appropriate taxes. A nonresident licensee shall not
22 solicit business.]

23 3. Each surplus lines license shall be renewed annually on the anniversary date of
24 issuance and continue in effect until refused, revoked or suspended by the director in accordance
25 with section 384.065; except that if the annual renewal fee for the license is not paid on or before
26 the anniversary date the license terminates. The annual renewal fee is fifty dollars.